

**ALKA SECURITIES LIMITED**

**16<sup>th</sup> ANNUAL REPORT**

**2009-2010**

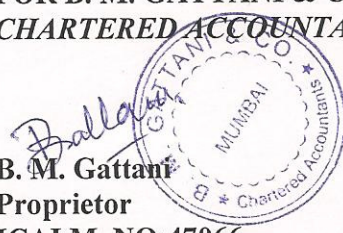
**AUDITOR'S REPORT**  
**TO THE MEMBERS OF ALKA SECURITIES LIMITED**

1. We have audited the attached Balance Sheet of **ALKA SECURITIES LIMITED** Mumbai as at 31<sup>st</sup> March 2010 and the Profit and Loss Account annexed thereto. These financial statements are responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit
  2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
  3. As required by the Companies (Auditor's Report) Order, 2004 issued by the Company Law Board in terms of section 227(4A) of the Companies Act, 1956 we enclose in the annexure a statement on the matters specified in paragraph 4 & 5 of the said order.
  4. Further to our comments in the annexure referred to in paragraph 3 above.
    - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
    - b) In our opinion proper Books of Account as required by law have been kept by the company so far as appears from our examination of such books.
    - c) The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the Books of Account.
    - d) In our opinion the Profit & Loss Account and the Balance Sheet comply with the Accounting Standards referred in Sub-section (3c) of Section 211 of the Companies Act, 1956.
    - e) Based on representations made by all the Directors of the company to the Board and the information and explanations as made available to us by the Company, none of the Directors of the Company prima-facie have any disqualifications as referred to in section 274 sub-section (1) clause (g) of the Companies Act, 1956.
    - f) In our opinion and to the best of our information and according to the explanations given to us the said account read with the Notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
      - i. in the case of Balance Sheet of the state of affairs of the company as at 31<sup>st</sup> March, 2010 and
      - ii. in the case of Profit & Loss Account of the **Profit** for the year ending on that date.
- AND**
- iii in the case of Cash Flow Statement for the year ending on that date.

**PLACE : MUMBAI**

**DATED : 30/08/2010**

**FOR B. M. GATTANI & Co.**  
**CHARTERED ACCOUNTANTS.**

  
**B. M. Gattani**  
**Proprietor**  
**ICAI M. NO:47066**

ANNEXURE TO THE AUDITOR'S REPORT  
(Referred to in paragraph 3 of our Report of even date)

- (I) a) the company has maintained proper records showing full particulars including Quantitative details & situation of fixed assets.
- b) All the assets have been physically verified by management during the year and no material discrepancies were noticed on such verification.
- c) During the year, the company has not disposed any substantial part of fixed assets affecting the going concern of the Company.
- (ii) (a) The inventory physically verified during the year by the management of the company. In our opinion, the frequency of such verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of company and nature of its business.
- (c) The company is maintaining proper records of inventory. The Discrepancies noticed on verification between physical stock and book stocks were not material.
- (iii) (a) We have been informed that the company has not taken Unsecured loan from other parties listed in the register to be maintained under section 301 of the companies Act, 1956..The Company has not given any loans to companies, firms and other parties covered in the Register maintained under section 301 of the Companies Act, 1956.
- (b) The rate of interest and terms and conditions of such loans are prima facie not prejudicial to the interest of the company.
- (c) The principal amount and interest thereon are paid regularly on due date or immediately thereafter.
- (d) There is no overdue amount of loan taken from or granted to companies, firms or other parties listed in the register maintained under section 301 of the companies Act, 1956.
- (iv) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and its nature of its business with regard to purchase of inventory, fixed assets and with regards to sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) (a) According to the information and explanation given to us, we are of the opinion that the transaction that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information given to us, the transaction made in pursuance of contract or arrangement entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5,00,000/- in respect of any party during the year have been made at price which are reasonable having regard to prevailing market price at the relevant time.
- (vi) As informed, the company has not taken any deposits in accordance with section 58A, 58AA of the companies' act 1956 during the year.
- (vii) In our opinion, the company has an in house internal audit system commensurate with the size and nature of its business.
- (viii) As informed the maintenance of cost record under section 209 (1) (d) is not applicable to the company.
- (ix) (a) According to the information and explanation given to us, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education, protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanation given to us, there is no undisputed amount payable in




respect of income tax, sales tax, wealth tax, custom duty, excise duty, cess that have not been deposited as on 31/03/2010.

- (x) The company does not have accumulated losses as at 31<sup>st</sup> March 2010, it has not brought forward loss of last year.
- (xi) Based on our audit procedures and on the information and explanation given by management, we are of the opinion that the company has not defaulted in repayment of its due to any financial institution and bank during the year.
- (xii) As informed, the Company has not granted loans and advances on the basis of securities by way of pledge of shares, debenture and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors Report) Order 2004 are not applicable to the Company.
- (xiv) The Company is dealing in or trading in shares, securities, debentures and other investments and in our opinion and according to the information and explanations given to us, the company has maintained proper records of all transaction and contracts and has made timely entries therein. The stock and investment of the shares held by the company are in its own name or are in the process of transfer in its own name.
- (xv) In our opinion, and as per the information given to us Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) The company has not obtained any term loans that were not applied for the purpose for which these were raised.
- (xvii) According to the information and explanation given to us and on an overall examination of Balance Sheet of the Company, we report that the no funds raised on short-term basis have been used for long-term investment and Vice-versa.
- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained U/s.301 of the Companies Act, 1956 during the year.
- (xix) No debenture is issued during the year; hence the clause is not applicable.
- (xx) The company has not raised any capital by way of public issue.
- (xxi) We have been informed that there is no fraud on or by the Company has been noticed / reported during the F.Y. 2009 – 2010.

**PLACE : MUMBAI**

**DATED : 30/08/2010**

**FOR B. M. GATTANI & Co.  
CHARTERED ACCOUNTANTS.**

  
**B. M. Gattani**  
**Proprietor**  
**ICAI M. NO:47066**